

# UBL - Proposed Amalgamation with Silk bank Limited

## Overview

UBL has formally submitted an offer for the amalgamation of Silkbank Limited with UBL. This potential amalgamation will proceed under Section 48 of the Banking Companies Ordinance, 1962, with regulatory oversight from the State Bank of Pakistan (SBP).

## Transaction Details

As part of the deal, UBL proposes a share swap ratio of 1 new UBL share for every 325 Silk bank shares. Upon completion, this ratio implies an estimated price for Silkbank shares at PKR 0.96\*, considering UBL will issue 27.94mn new shares to Silkbank shareholders.

## Implications

Post-amalgamation, UBL’s total outstanding shares would increase to 1,252mn, potentially diluting current shareholdings but strengthening UBL’s customer base. The transaction, while solidifying UBL's balance sheet and market position, remains dependent on due diligence regarding Silkbank’s asset quality and liabilities. This expansion, if finalized, would represent a consolidation within Pakistan’s banking sector after seven years.

Swap ratio		
	UBL	SILK
Ratio	1.00	325.00
Source: AHL Research		

UBL and SILK market cap			
	No. of shares	Price	M.cap
UBL	1,224	312	381,790
SILK	9,082	1.10	9,990
Source (s): AHL Research			

\*At UBL’s last closing price dated 31-Oct-2024

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